



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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CALIFORNIA TREASURER PHIL ANGELIDES COMMENTS ON MOODY'S UPGRADE OF STATE'S GO BOND RATING

SACRAMENTO, CA – California State Treasurer Phil Angelides today had the following comments on the announcement by Moody's that it has upgraded California's General Obligation bond credit rating to A1 from A2:

"While the rating upgrade from Moody's is welcome news, the action still leaves California's bond rating next to the bottom, better only than Louisiana's A2. And in raising California's rating up a tick, Moody's issued a warning identical to that of Standard & Poor's two days earlier: 'California's rating remains low compared to other states due to its ongoing fiscal challenges. The most immediate challenge is the state's stubborn structural budget gap.'

"Thus in the space of a week, two major bond rating agencies have clearly corroborated my warning and that of the Legislative Analyst that while state revenues have improved, California's economic condition will remain insecure until the state produces balanced budgets.

"We must do better – to gain a respectable credit rating, California must have a truly balanced budget that protects education. Even in a year when the state has received billions in unexpected revenue, Governor Schwarzenegger has failed to confront the structural deficit by proposing a balanced budget. His revised budget would continue to shift the burden of today's deficits onto the backs of future generations."

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